

COUNTY OF KAUAI  
Minutes of Meeting  
**OPEN SESSION**

Board/Committee:		Cost Control Commission		Meeting Date	September 12, 2016
Location	Mo`ikeha Building – Liquor Conference Room No. 3			Start of Meeting: 1:35 p.m.	End of Meeting: 2:31 p.m.
Present	Chair Joanne Nakashima; Vice-Chair James Whitfield; Members: Jan Hashizume, Tyler Rodighireo, Laurie Yoshida and Glen Takenouchi.  Also present: Board & Commissions Office Staff: Support Clerk Mercedes Omo and Administrator Jay Furfaro.  Office of the County Attorney: Deputy County Attorney Mark Bradbury				
Excused					
Absent	Tricia Lynn-Yamashita				
SUBJECT		DISCUSSION			ACTION
Call To Order					Chair Nakashima called the meeting to order at 1:35 p.m. with six (6) members present constituting a quorum.
Approval of Minutes		Regular Open Session Minutes of August 8, 2016.			Commissioner Takenouchi moved to approve the meeting minutes of August 8, 2016. Commissioner Rodighiero seconded the motion. The motion carried 6:0.
CCC 2016-08		Review and discuss correspondence received relating to the County’s CIP (Capital Improvement Projects).  Boards and Commission Administrator Jay Furfaro, gave his presentation on the information packet that was sent earlier to Commissioners. He reviewed each attachment and then answered questions.  In reference to the data in the County’s CIP Report (Capital Improvement Projects) on the various revenue funds, Commissioner Whitfield asked what the numbers in parenthesis			

SUBJECT	DISCUSSION	ACTION
	<p>represent. Administrator Furfaro explained that in reference to the County’s operating budget spreadsheet the amounts of the proposed expenditures as itemized will be appropriated to the various funds and accounts for expenditure by the Departments for the expressed and specific purposes as enumerated. He further explained that the revenues under the inter-governmental column are generated by payment in lieu of taxes, transient accommodation tax, as well as federal &amp; state aid grants and the revenues are appropriated into the Housing &amp; Community Development Fund and Highway Fund. Also, the revenues in the Revenues Property column are generated by rents and concessions and the monies are appropriated into the Parks and Recreation Improvement/Maintenance Fund, Solid Waste Fund and the Golf Fund.</p> <p>In regard to the Golf Fund, Administrator Furfaro stated that majority of the revenues comes directly from the Wailua Golf Course, and although the spreadsheet shows an operating budget of \$2,459,963, in actuality there was a shortfall of \$1.2 million which had to be made up by the General Fund.</p> <p>Commissioner Rodighiero asked if the revenues in Solid Waste Disposal Fund represent money the County receives from new tipping fees or the old tipping fees. Administrator Furfaro replied that the numbers represent the new tipping fees.</p> <p>In reference to the proposed budget ordinance, Commissioner Whitfield asked what the numbers indicated in brackets represent. Administrator Furfaro stated that the brackets indicate that a transfer of the appropriation balance was made. He shared that federal law requires the County to have a seven (7) year closing plan for the landfill, and in order to meet that requirement, the County had to set aside reserves to cover that cost, and in doing so, the County found that they had the ability to cut the closure and was able to borrow \$3,568,262 from the State of Hawai‘i Landfill Revolving Fund at a 1.5% interest rate. As a result, the County was able to credit the Solid Waste Disposal Fund in the amount of \$3.9 million which was originally set aside for the landfill closing plan.</p> <p>Commissioner Rodighiero asked if the County’s debt payment is for the County’s on-going projects. Administrator Furfaro stated that the debt payments are related to projects that have</p>	

SUBJECT	DISCUSSION	ACTION
	<p>already been completed or on-going. He noted that relative to the Highway Fund, the funds cannot be used to resurface old roads, the funds can only be used to build new roads.</p> <p>Commissioner Rodighiero asked if the public utility franchise taxes are connected to the utility poles you see on County property to which Administrator Furfaro replied, yes, noting that a utility company who wants to put up a pole (s) on County property has to pay a user fee.</p> <p>Commissioner Rodighiero commented that from the looks of things the County's Housing Funds are doing fine in terms of rental revenue. Administrator Furfaro stated that the County spent a million dollars acquiring housing, which gave the County leverage in terms of credit in the Housing Department and the way of collecting rent. With the exception of the Princeville project because the County was able to negotiate a deal with the Hawai'i Housing Authority that in sixty (60) years the County would own the buildings.</p> <p>Commissioner Rodighiero asked Administrator Furfaro to explain to the difference between the appropriation balance and the proposed budget ordinance to which Administrator Furfaro explained that the appropriation balance represents the funds that are available for the different projects, and the proposed budget ordinance represents monies to be spent; something like a wish list.</p> <p>Commissioner Whitfield asked relative to the Hanalei District Black Pot Restrooms Improvement if the money had already been spent or is in the process of being spent. Administrator Furfaro explained that the \$145,315 is scheduled to be spent and that the County will be holding a public hearing in relations to that.</p> <p>Administrator Furfaro shared that about four (4) years ago, he introduced a proposal to the Council to change the Cost Control Commission to a Cost Control Revenue Forecasting Commission. He stated that although the State has a revenue council it did not have an impact on the County Council decision because the members voted 2-5 against his proposal.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>He noted that although he provided the Commissioners with information on the County’s revenues and fees, the Charter does not allow the Cost Control Commission to review the County’s revenues.</p> <p>Commissioner Rodighireo asked if he could obtain a list of the different revenues that are filtered into the General Fund particularly, the Revenues and Property Fund to which Administrator Furfaro replied, sure.</p> <p>Additionally, Administrator Furfaro shared that Financial Auditors will be on site to do a compliance check on the County’s fiscal year ending June 30, 2016. The audit will include payroll testing, cash receipts, pCards purchases, contracts, grants, housing, federal vouchers, fuel and utility charges.</p> <p>With no further questions or comments from the Commissioners, Chair Nakashima moved on to the next item.</p>	
<b>CCC 2016-09</b>	<p><u>Discussion and potential topics to reduce the cost of government while maintaining a reasonable level of public services.</u></p> <p>Chair Nakashima asked each commissioner to offer topics for the Commission to discuss over the next several months. Commissioner Rodighireo asked if it was possible to have someone from the Housing Agency present at the next meeting to paint a clear picture of what the revenues from property are versus the amount of expenses incurred to generate those revenues, and perhaps come up with a recommendation to cut expenses at that point. Administrator Furfaro acknowledged Commissioner Rodighiero’s request and would make the necessary arrangements to have a representative from the Housing Agency present at the next meeting.</p> <p>In addition, Administrator Furfaro asked the Commissioners if they would like to have someone from the Parks and Recreation Department present at the next meeting to talk about</p>	

SUBJECT	DISCUSSION	ACTION
	<p>the golf course operations. Commissioner Whitfield commented that it feels like the Commission hands are tied because it's dealing with more revenue issues than cost saving issues. Commissioner Yoshida noted that although the Commission cannot make any recommendations to the increase fees, as a suggestion, perhaps the Commissioners could word it in a way as such that it would save the County money in the long run if the fees were to be increased.</p> <p>Commissioner Rodighiero stated that he would like to obtain more information on the Solid Waste Disposal Fund and the Highway Fund. Administrator Furfaro stated that he would contact Troy Tanigawa to see if he's available to talk about the specifics relating to the Solid Waste Disposal Fund, noting it would be a good idea for the Commission to review the CAFR Report from last year because it addresses the appropriations in the Highway Fund.</p> <p>Commissioner Yoshida asked how the Commission could go about inquiring about changing the Cost Control Commission into the Cost Control Revenue Enhancement Commission. Administrator Furfaro stated that he would contact Records Management Analyst Nancy Wilson to get a copy of his proposed resolution.</p> <p>With no further discussion, Chair Nakashima moved to the announcements.</p>	
<b>Announcements</b>	<p>Chair Nakashima announced that the next meeting is set for Monday, October 10, 2016, 1:30 p.m. at the Mo'ikeha Building, Liquor Conference Room No. 3. Staff noted that the meeting location for the October meeting will be relocated to the Līhu'e Civic Center, Mo'ikeha Building, Meeting Room 2A/2B.</p>	
<b>Adjournment</b>	<p>With no further business to conduct, Chair Nakashima called for a motion to adjourn the meeting.</p>	<p>At 2:31 p.m. Commissioner Yoshida moved to adjourn the meeting. Commissioner Takenouchi seconded the motion. The motion carried 6:0.</p>

Submitted by: \_\_\_\_\_  
Mercedes Omo, Staff Support Clerk

Reviewed and Approved by: \_\_\_\_\_  
Joanne Nakashima, Chair

- ( ) Approved as circulated on
- (x) Approved as amended. See minutes of the October 10, 2016 meeting.